



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

June 4, 2008

Jim Smalley
Director of Training and Leadership Development
AIG SunAmerica, Inc.
2929 Allen Parkway
Houston, Texas 77019

Dear Mr. Smalley:

RE: **FINAL MONITORING VISIT REPORT** for AIG SunAmerica, Inc. – **ET06-0215**

Date of the Visit:	5/27/08
Beginning/Ending Time:	10:00 a.m. – 2:00 p.m.
Date of Last Visit:	8/16/07
Visit Location:	Los Angeles
Persons in attendance:	Michael Richards, Training Administrator, AIG SunAmerica Seth Escobar, Training Manager, AIG SunAmerica Chris Mangels, VP, Training Funding Partners Gilberto Pelaez, ETP Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	4/24/06 – 4/23/08	Agreement Amount:	\$475,540
Training Start Date:	4/24/06	No. to Retain:	620
Date Training must be Completed:	1/24/08	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	59

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www.etp.ca.gov
ETP (04/15/05)

FINAL REPORT SUMMARY:

The Agreement was executed on 4/07/06 and training began on 4/24/06. Your staff reported that all training was completed on 1/24/08, which allows for the 90-day retention period to be completed within the term ending date of the Agreement on 4/23/08.

ETP approved one Agreement Amendment on 7/24/06 to change language in the Terms and Conditions indicating that this is a Pilot training Agreement utilizing electronic recordkeeping.

SunAmerica training records show that 274 trainees have completed training and the 90 day retention period (44% of planned retentions). SunAmerica staff projects earnings to be \$293,615 (62% of the encumbered total \$475,540). Current ETP records show that SunAmerica submitted the closeout invoice and has received \$293,615 in earned payments for the retention of 274 trainees.

In reference to the overall experience SunAmerica had in implementing the ETP project, your project staff addressed the following questions:

Barriers in implementing the ETP project: No barriers in implementing the ETP project were encountered.

Problems, if any, with ETP record keeping: There were no problems with record keeping.

Assistance ETP could have provided to improve process for future Contractors: The process is very straight forward and easy to follow.

How did your company benefit from ETP training: The Company benefited greatly from the ETP training. You were able to cross train your service center employees which significantly increased your effectiveness and raised the level of customer service that you provide to your clients.

The reason(s) why you did not complete the number (620) of trainees specified in the Agreement: You originally planned to train between 620-1,524 people, but your retention rates increased such that you did not need to hire as many people as you had originally planned on hiring. Also, many people that you hired did not have any previous earnings in California, making them ineligible for you to receive reimbursement for their training.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Job #	Number to Retain	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training	Number of Trainees Completed Retention
1	620	972	698	274	274	274
Total	620	972	698	274	274	274

ATTENDANCE ROSTERS/ INVOICES:

The Analyst reviewed the attendance records for 20 trainees that were billed for final payment on Invoice 26. The records reviewed were properly completed; contained the information and signatures required by ETP; and the training hours billed on invoice 26 were validated.

AUDIT:

SunAmerica will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

Please contact your Monitoring Analyst within ten working days at (818) 755-1323 or gpelaez@etp.ca.gov if you have any questions or comments regarding this report.

Sincerely,

Dolores Kendrick, Manager
North Hollywood Regional Office

Gilberto Pelaez, Contract Analyst
North Hollywood Regional Office

cc: Mike Richards, AIG SunAmerica, Inc, (via e-mail)
Chris Mangels, Training Funding Sources (via e-mail)
Ada Carrillo, Acting Executive Director
Kulbir Mayall, Manager, Fiscal and Certification
Master File

Project File

Date report mailed to Contractor _____